

## **CBS Corporation - U.K. Tax Policy & Strategy (“CBS”)**

CBS Corporation is a mass media company with worldwide operations in the following segments: Entertainment, Cable Networks, Publishing, and Local Media (together, globally, and locally, “CBS”). The Entertainment segment comprises of distribution of news, sports and entertainment programming, including digital streaming services. The Cable Networks segment offers subscription program services, such as original series, theatrical feature films, documentaries, boxing and other sports-related programming. The Publishing segment publishes and distributes adult and children’s consumer books in printed, digital, and audio formats. The Local Media segment owns 30 broadcast television stations, and operates local Websites, including content from the company’s television stations, news and sports radio stations. The company was founded in 1986 and is headquartered in New York, United States. The U.K. operations of CBS operate in the Entertainment, Cable Networks, and Publishing segments, with local U.K. offices providing sales support services in the Entertainment and Cable Networks operational segments and publishing and distribution in the Publishing operational segment.

In compliance with the U.K. legislative requirements of the relevant paragraph under Schedule 19 Finance Act 2016, which imposes a legal requirement on all large businesses operating in the U.K. to publish a U.K. tax strategy, this document sets out CBS’s policy and approach to conducting its U.K. tax affairs and dealings with tax risks. It is effective for the year ending December 31, 2018, and will remain in effect unless amended. It will be updated annually as required.

### **Our Tax Policy & Strategy**

CBS manages and reports its tax affairs in a manner which ensure compliance with all fiscal obligations. Our Code of Business Conduct sets the standard of what is expected from everyone working at CBS, and our Tax Policy and Strategy flows from its principles. Our Tax Policy and Strategy applies to all entities within the U.K. that are part of the CBS Corporation group.

CBS is committed to conduct its tax affairs consistent with the following principles:

1. Comply with all relevant laws and regulations (including any and all disclosure requirements) in the territories in which we operate, including the U.K.
2. Apply appropriate governance and diligence in the management of all risks associated with CBS tax matters
3. Pursue an open working relationship with all tax authorities, and adhere to a policy of disclosure to relevant tax authorities in respect of tax matters
4. Effectively manage and balance our tax affairs to deliver our business strategy and to create sustainable shareholder value, including the application of any relevant tax incentives and reliefs that are not contradictory to the legislation, to minimize overall tax costs to CBS.

## **Tax Code of Conduct**

The following sets out governance and principles expected from employees of CBS in support of above Tax Policy and Strategy:

### **Compliance with laws and regulations**

CBS is committed to observing all applicable laws, rules, regulations, reporting and disclosure requirements in the various territories in which we operate, including the U.K. We have a dedicated CBS International Tax team that supports the various jurisdictions that we operate in to provide any necessary advice and guidance to ensure appropriate tax compliance, and procuring external advice as and when considered necessary. There is a quarterly monitoring and reviewing of compliance activities carried out to help manage compliance and timely reporting of all tax matters.

### **Tax Governance & Risks Management**

In addition to the standard quarterly monitoring and reviewing of compliance activities, CBS has professional advisors in all of the key territories operated. Prior to any major business transactions being undertaken, a decision is made on whether and how to seek professional advice to identify and assess any potential tax consequences. These professional advisors also work with us on real-time monitoring of any current tax legislations development in the respective territories.

### **Relationship with Tax Authorities**

We strive to maintain an open and collaborative approach to our dealings with HM Revenue and Customs ("HMRC"). It is our objective to engage with our dedicated Customer Relationship Manager at HMRC proactively to discuss our tax affairs and to resolve any tax enquiries efficiently and effectively in a professional and timely manner.

### **Tax Planning**

CBS is committed to managing and balancing its tax affairs effectively to deliver the business strategy and to create sustainable shareholder value, ensuring that any tax positions that CBS takes are based on sound commercial business reasons. We believe in paying taxes in accordance with all relevant laws and regulations in all of the territories in which we operate, and at the same time, taking into considerations of any applicable tax incentives and reliefs to minimize overall tax costs to CBS where these are aligned with our business or operational objectives, and are not contradictory to the legislation of the governments which introduced the incentives. Where there is uncertainty in how the relevant tax law should be applied, potential reputational risk is taken into account by CBS.